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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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AIRIGAN SOLUTIONS, LLC,

Plaintiff,

v.

YIWU LANHOME JEWELRY CO., LTD.,
NINGBO MATEYNESS HOUSEHOLD CO.,
LTD., JIANGSHAN TOPME IMPORT &
EXPORT CO., LTD., YIWU JOYFUL
COMMODITY FACTORY, HUIZHOU
KANGNING INDUSTRIAL CO., LTD.,
NINGBO HAISHU GREENWELL
COMMODITY INDUSTRIAL CO., LTD.,
HEFEI FENGZHISHENG TRADE CO., LTD.,
NINGBO LIMKONG INTERNATIONAL
TRADE CO, YIWU ALIYOU COMMODITY
LTD., NINGBO JIEWEI KITCHENWARE CO.,
LTD., NINGBO SHENGHUI PLASTIC
TECHNOLOGY CO., LTD., and THE OTHER
INDIVIDUALS, PARTNERSHIPS AND
UNINCORPORATED ASSOCIATIONS
IDENTIFIED ON AMENDED SCHEDULE "A",

Defendants.

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Civil Action No.

18-CV-6132 (GHW)

Jury Trial Requested

FILED UNDER SEAL

**SUPPLEMENTAL MEMORANDUM OF LAW IN SUPPORT OF PLAINTIFF'S EX
PARTE APPLICATION FOR: 1) A TEMPORARY RESTRAINING ORDER AND
PRELIMINARY INJUNCTION; 2) AN ORDER RESTRAINING ASSETS AND
MERCHANT STOREFRONTS; 3) AN ORDER TO SHOW CAUSE WHY A
PRELIMINARY INJUNCTION SHOULD NOT ISSUE; 4) AN ORDER AUTHORIZING
ALTERNATIVE SERVICE BY ELECTRONIC MEANS; AND
5) AN ORDER AUTHORIZING EXPEDITED DISCOVERY**

TABLE OF CONTENTS

TABLE OF AUTHORITIESii

I. INTRODUCTION1

II. RESPONSE TO THE COURT’S INQUIRIES1

 A. THE DEFENDANTS1

 B. THE DEFENDANTS ARE SUBJECT TO THE COURT’S PERSONAL
 JURISDICTION5

 1. The Alibaba.com Defendants7

 2. The Non-Alibaba.com Defendants9

 C. ELECTRONIC SERVICE IS PROPER FOR THOSE DEFENDANTS
 FOR WHOM ADDRESS ARE SET FORTH IN THE AMENDED
 COMPLAINT12

 D. PLAINTIFF IS ENTITLED TO AN ORDER FREEZING DEFENDANTS’
 MERCHANT ACCOUNTS17

 E. THE AMENDED PROPOSED ORDER19

III. CONCLUSION20

TABLE OF AUTHORITIES

Cases

<i>Allstar Marketing Group, LLC v. 158 et al.</i> , No. 18-CV-4101 (GHW) (S.D.N.Y. May 17, 2018).....	19
<i>Apple Corps Ltd. v. 3W Store</i> , No. 18-CV-60656 (S.D. Fla. March 27, 2018)	4
<i>F.T.C. v. PCCare247 Inc.</i> , No. 12 Civ. 7189, 2013 U.S. Dist. LEXIS 31969 (S.D.N.Y.)	16
<i>Grand v. Schwarz</i> , No. 15-cv-8779-KMW, 2016 U.S. Dist. LEXIS 61606 (S.D.N.Y. May 10, 2016)	5
<i>Gurung v. Malhotra</i> , 279 F.R.D. 215 (S.D.N.Y. 2011)	16
<i>Hsin Ten Enter. USA Inc. v. Clark Enterprises</i> , 138 F. Supp. 2d 449 (S.D.N.Y. 2000) (Scheidlin, J.)	5
<i>Idea Village Prods. Corp. v. Dongguan Shipai Loofah Sponge Commodity Factory</i> No. 18-CV-901 (S.D.N.Y. 2018) (Gardephe, J.).....	14
<i>In re LDK Solar Secs. Litig.</i> , 2008 WL 2415186 (N.D. Cal. Jun. 12, 2008).....	15
<i>In re Potash Antitrust Litig.</i> , 667 F. Supp. 2d 907 (N.D. III. 2009).....	15
<i>In re S. African Apartheid Litig.</i> , 643 F. Supp. 2d 423, 434 (S.D.N.Y. 2009).....	17
<i>Iron Maiden Holdings Ltd. v. The P’ships & Unincorporated Assns.</i> <i>Identified on Schedule “A”</i> , No. 18-CV-522 (N.D. III. Jan. 23, 2018)	4, 6, 19
<i>Juniper Networks, Inc. v. Bahattab</i> , No. 1:07-cv-01771-PLF-AK, 2008 WL 250584 (D.D.C. Jan. 30, 2008).....	14
<i>MacLean-Fogg Co. v. Ningbo Fastlink Equip. Co., Ltd.</i> , No. 1:08-cv-02593, 2008 WL 5100414 (N.D. III. Dec. 1, 2008).....	14
<i>Nanya Tech. Corp. v. Fujitsu Ltd.</i> , No. 1:06-cv-00025, 2007 WL 269087 (D. Guam Jan. 26, 2007).....	16
<i>Paint Zoom, LLC v. Changsha Guma Machine Store, No. 18-CV-153</i> (S.D.N.Y. 2018) (Marrero, J.).....	14
<i>Popular Enters., LLC v. Webcom Media Group, Inc.</i> , 225 F.R.D. 560 (E.D. Tenn. 2004)	14, 16
<i>Purdue Research Found. v. Sanofi-Sythelabo, S.A.</i> , 338 F.3d 773 (7 th Cir. 2003).....	6

<i>Rio Props. v. Rio Int’l Interlink</i> , 284 F.3d 1007 (9th Cir. 2002).....	14
<i>S.E.C. v. Anticevic</i> , 2009 U.S. Dist. LEXIS 11480	16
<i>Spin Master Ltd. v. Alisy</i> , No. 18-CV-543 (S.D.N.Y. 2018) (Gardephe, J.)	14
<i>Sulzer Mixpac AG v. Medenstar Indus. Co.</i> , 312 F.R.D. 329 (S.D.N.Y. 2015).....	16
<i>Talavera Hair Prods., Inc. v. Taizhou Yusung Electrical Appliance Co., Ltd.</i> <i>a business entity and The Individuals, P’ships & Unincorporated Assns.</i> <i>Identified on Exhibit “1”, No. 18-CV-0923-BAS-JLB</i> (S.D. Cal. April 30, 2018).....	4, 6
<i>uBID, Inc. v. GoDaddy Group, Inc.</i> 623 F.3d 421 (7th Cir. 2010).....	6
<i>USA, Inc. v. Clark Enterprises</i> , 138 F. Supp. 2d 449 (S.D.N.Y. 2000) (Scheidlin, J.).....	5
<i>Wow Virtual Reality, Inc. v. Bienbest</i> , No. 18-CV-3305 (S.D.N.Y. 2018) (Caproni, J.).....	14

Statutes

Fed. R. Civ. P 4(f) (3)	15, 19
Fed. R. Civ. P 4(e) (1)	13
Fed. R. Civ. P 4(b).....	16
N.Y. C.P.L.R. § 302 (a) (3)	4
N.Y. C.P.L.R. § 302 (a) (1)	4, 5
N.Y. C.P.L.R. §§ 308	4, 5
N.Y. C.P.L.R. §§ 310	4, 5
N.Y. C.P.L.R. §§ 311	4, 5

Other Authorities

Hague Convention on the Service Abroad of Judicial and Extra Judicial Documents in Civil and Commercial Matters	15
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I. INTRODUCTION

Plaintiff Airigan Solutions, LLC (“Airigan” or “Plaintiff”) submits this supplemental memorandum of law to address the inquiries by the Court in the July 6, 2018, hearing on Plaintiff’s *ex parte* application for: 1) a temporary restraining order; 2) an order restraining assets and Merchant Storefronts; 3) an order to show cause why a preliminary injunction should not issue; 4) an order authorizing alternative service and 5) an order authorizing expedited discovery against above-referenced Defendants (hereinafter collectively referred to as “Defendants” or individually as “Defendant”). An Amended Proposed Order granting the relief sought by Plaintiff is also submitted herewith.

II. RESPONSE TO THE COURT’S INQUIRIES

A. THE DEFENDANTS

The structure of Schedule A to the Complaint appears to have introduced some confusion as to the Defendants, in particular whether the Defendants are the webpages themselves upon which Defendants’ Counterfeit Products are offered for sale or the operators of the stores which offer Defendants’ Counterfeit Products for sale. Plaintiff has filed a *Notice of Voluntary Dismissal* against certain defendants and also filed an *Amended Complaint* adding certain recently discovered defendants.¹ Attached to the *Amended Complaint* (and attached hereto as **Exhibit A**) is an Amended Schedule A

¹ The added defendants are: Ningbo Shenghui Plastic Technology Co., Ltd. (Alibaba.com), dhgate_factory01 (DHgate.com), dhgatetop_merchant (DHgate.com), ultimate1seller (eBay.com), yihangjc (eBay.com), cqfgrs (eBay.com), and qwwdss (eBay.com).

which makes it clear that Defendants are the individuals or businesses (e.g., the merchants) who conduct businesses in the United States, including New York, by means of their User Accounts and on their Merchant Storefronts on various online marketplace platforms. **Amended Schedule A** generally lists the Defendants in the same order as on original **Schedule A**, but the information thereon has been organized in a clearer manner.

This is consistent with the language of the *Complaint* and *Amended Complaint*. Each of the Defendants named in the caption of this case is identified in the *Complaint* as a “merchant” on Alibaba.com. *Complaint*, ¶¶ 5-15; *Amended Complaint*, ¶¶ 7-17. The remaining Defendants “are individuals and/or business entities of unknown makeup” who “target their business activities toward consumers throughout the United States, including within this district, and conduct pervasive business through the operation of, at least, the fully interactive commercial Internet websites and Internet based marketplace website ... via the e-commerce stores existing under the Seller IDs”. *Complaint*, ¶ 17; *Amended Complaint*, ¶ 5-6.

The *Complaint* and *Amended Complaint* also includes the following descriptive language regarding the identify of the Defendants:

- a. “Defendants are the past and present controlling forces behind the sale of products bearing and/or using counterfeits and infringements of Plaintiff’s trademark, trade dress, and patent as described herein using at least the Seller IDs.” *Complaint*, ¶ 19; *Amended Complaint*, ¶ 19.
- b. “Defendants directly engage in unfair competition with Plaintiff by advertising, offering for sale and selling goods bearing and/or using

counterfeits and infringements of Plaintiff's trademark, trade dress, and patent to consumers within the United States and this district through several fully interactive, commercial Internet websites and Internet based e-commerce stores operating under, at least, the Alibaba.com storefronts, the Seller IDs, and any additional domain names, websites and corresponding website URLs or seller identifications and store URL aliases not yet known to Plaintiff."

Complaint, ¶ 20; *Amended Complaint*, ¶ 20 ("... operating under, at least, the Alibaba.com, AliExpress.com, Amazon.com, DHgate.com, eBay.com, and/or Wish.com storefronts ...").

- c. "Defendants have registered, established or purchased, and maintained the Alibaba.com storefronts, Seller IDs, and the websites and e-commerce stores operating thereunder." *Complaint*, ¶ 21; *Amended Complaint*, ¶ 21 ("...maintained the Alibaba.com, AliExpress.com, Amazon.com, DHgate.com, eBay.com, and/or Wish.com storefronts...").
- d. "Through their Merchant Storefronts, Defendants offer for sale and/or sell consumer products, including Counterfeit Products, and target and ship such products to customers located in the U.S., including New York, and throughout the world." *Complaint*, ¶ 37; *Amended Complaint*, ¶ 37.
- e. "Defendants are promoting and advertising, distributing, selling and/or offering for sale inexpensive copies of Plaintiff's NEGG[®] product ... through the fully interactive Internet based e-commerce stores operating under the Seller IDs." *Complaint*, ¶ 38; *Amended Complaint*, ¶ 38.

- f. “Defendants target their business activities towards consumers throughout the United States, including within this district, and conduct pervasive business through the operation of, at least, one fully interactive commercial Internet based e-commerce store via, at least, the Internet marketplace websites Alibaba.com, AliExpress.com Amazon.com, Bonanza.com, dhgate.com, eBay.com, Walmart.com, and Wish.com, under various Seller IDs, including the Seller IDs in **Schedule “A”.**” *Complaint*, ¶ 39; *Amended Complaint*, ¶ 39 (“...the Internet marketplace websites Alibaba.com, AliExpress.com, Amazon.com, dhgate.com, eBay.com, and Wish.com, under various Seller IDs”).
- g. “Defendants are the past and present controlling forces behind the sale of products that infringe Plaintiff’s intellectual property as described herein using at least the Seller Ids in **Schedule “A”** and the Seller IDs associated with the infringing product ASIN numbers in **Schedule “A”**. Defendants have registered, established or purchased, and maintained their Seller Names.” *Complaint*, ¶ 41; *Amended Complaint*, ¶ 41.

The approach taken in the present case -- having the defendants listed as the merchants using the online marketplace platforms -- is the approach that has been approved by Courts in similar cases. *See Talavera Hair Prods., Inc. v. Taizhou Yunsung Electrical Appliance Co., Ltd. a business entity and The Individuals, P’ships & Unincorporated Assns. Identified on Exhibit “1”*, No. 18-CV-0923-BAS-JLB (S.D. Cal. April 30, 2018); *Apple Corps Ltd. v. 3W Store*, No. 18-CV-60656 (S.D. Fla. March 27, 2018); and *Iron Maiden Holdings Ltd. v. The P’ships & Unincorporated Assns. Identified on*

Schedule "A", No. 18-CV-522 (N.D. Ill. Jan. 23, 2018) (a copy of the Complaint, Order for Alternative Service, Temporary Restraining Order, and Preliminary Injunction Order in each of these cases is included at Exhibits 1-3 in *Plaintiff's Request for Judicial Notice* submitted herewith.)

B. THE DEFENDANTS ARE SUBJECT TO THE COURT'S PERSONAL JURISDICTION

The *Memorandum of Law* submitted with Plaintiff's Application for *Ex Parte* Relief asserts personal jurisdiction over Defendants is proper under either 1) N.Y. C.P.L.R. § 302(a)(3) (tortious act causing injury in New York) or (2) N.Y. C.P.L.R. § 302(a)(1) (transacting business in New York through an interactive website). The Court inquired as to whether the Defendants were subject to the personal jurisdiction of the Court merely by operation of a fully interactive website.

As discussed in the *Memorandum of Law* (pgs. 11-17) submitted with Plaintiff's Application for *Ex Parte* Relief, personal jurisdiction is appropriate under N.Y. C.P.L.R. § 302(a)(1) solely based upon Defendants' interactive and commercial website. *See, e.g., Grand v. Schwarz*, No. 15-cv-8779-KMW, 2016 U.S. Dist. LEXIS 61606, at *9 (S.D.N.Y. May 10, 2016) ("Defendant's interactive and commercial website provides further support for Plaintiff's allegations under § 302(a)(1).") *citing Hsin Ten Enter. USA, Inc. v. Clark Enterprises*, 138 F. Supp. 2d 449, 456 (S.D.N.Y. 2000) (Scheidlin, J.) ("Generally, an interactive website supports a finding of personal jurisdiction over the defendant.").

New York is not the only state that exercises personal jurisdiction based upon website activity. Other courts regularly exercise personal jurisdiction over entities using

registered trademarks without authorization in connection with the offering for sale and selling of infringing and counterfeit merchandise to residents within their state over the Internet. *See, e.g., Iron Maiden Holdings Ltd. v. The P'ships & Unincorporated Assns. Identified on Schedule "A"*, No. 18-CV-522 (N.D. Ill. Feb. 1, 2018) (copy attached as Exhibit 3 to *Plaintiff's Request for Judicial Notice*); *Talavera Hair Prods., Inc. v. Taizhou Yunsung Electrical Appliance Co., Ltd., a business entity and The Individuals, P'ships & Unincorporated Assns. Identified on Exhibit "1"*, 18-CV-0823-BAS-JLB (S.D. Cal. May 10, 2018) (copy attached as Exhibit 1 to *Plaintiff's Request for Judicial Notice*).

Indeed, in the Seventh Circuit, without the benefit of an evidentiary hearing, plaintiff bears only the burden of making a prima facie case for personal jurisdiction; all of plaintiff's asserted facts should be accepted as true and any factual determinations should be resolved in its favor. *See uBID, Inc. v. GoDaddy Group, Inc.* 623 F.3d 421, 423 (7th Cir. 2010); *see also, Purdue Research Found. v. Sanofi-Syhelabo, S.A.*, 338 F.3d 773, 782 (7th Cir. 2003) (“When determining whether a plaintiff has met his burden, jurisdictional allegations pleaded in the complaint are accepted as true unless proved otherwise by defendants' affidavits or exhibits.”).

Submitted with Plaintiff's Application was evidence that all of the Defendants are/were selling Counterfeit Products through a fully interactive website, evidence that certain defendants would ship Counterfeit Products to a New York address within this judicial district, and Counterfeit Products were purchased from three defendants and shipped to a New York address within this judicial district. *See Declaration of Brian Samuel Malkin* (“*Malkin Dec.*”), ¶ 11, *Ex. 1*; *Declaration of Stanley D. Ference III* (“*Ference Dec.*”), ¶ 9, *Ex. 1*.

Nonetheless, as discussed below, Plaintiff submits herewith the *Declaration of Jessica Arnaiz* (“*Arnaiz Dec.*”) and the *Second Declaration of Brian Samuel Malkin* (“*Second Malkin Dec.*”) providing additional evidence supporting this Court’s exercise of personal jurisdiction over Defendants. This evidence will now be discussed by splitting the Defendants into two groups – the Alibaba.com Defendants and the Non-Alibaba.com Defendants.

1. The Alibaba.com Defendants

Included in Plaintiff’s Application for *Ex Parte* Relief was evidence related to merchants offering for sale and/or selling Counterfeit Products on Alibaba.com. *Malkin Dec.*, ¶ 14, *Ex. 2*.

Plaintiff has now retained New Alchemy Limited (“NAL”), a company that provides trademark research services and other intellectual property research services, to investigate and research Defendant Nos. 1-10 on **Amended Schedule A** who were/are offering for sale and/or were/are selling Counterfeit Products on the Alibaba.com online marketplace platform (“the Alibaba.com Defendants”). *See Arnaiz Dec.*, ¶ 4; *Second Malkin Dec.*, ¶ 14. As a result of Plaintiff’s policing efforts, the Alibaba.com Defendants are no longer offering for sale the Counterfeit Products through their previously identified listings. *Second Malkin Dec.*, ¶ 13. Nonetheless, during its investigation, NAL contacted Defendants expressing an interest in placing a bulk order for Counterfeit Products and typically inquired as to whether payment could be made for the orders of Counterfeit Products through either the Alibaba.com Defendants’ PayPal, Inc. accounts or by wire

transfer directly to the Alibaba.com Defendants' bank accounts. *Arnaiz Dec.*, ¶¶ 8 - 11, *Ex. 1*. NAL also often requested email addresses for the Alibaba.com Defendants. *Id.*

Additionally, NAL specified a shipping address located in this judicial district (“the New York Address”) and verified that each Alibaba.com Defendant provides shipping to the New York Address. *Arnaiz Dec.*, ¶¶ 9 -13, *Ex. 1*. Allibaba.com requires the completion of an order form, which asks for the customer’s shipping address. *Id.* In each instance, NAL completed an order form for an order of Counterfeit Products from each Alibaba.com Defendant by providing the New York Address as the shipping address. *Id.* at ¶ 9. Further, all of the Alibaba.com Defendants provided NAL with pro forma invoices for the Counterfeit Products, which also display the New York Address as the shipping address. *Id.* The trade for each Alibaba.com Defendant also shows that they target the North American market. *Second Malkin Dec.*, ¶ 16 ; *Arnaiz Dec.*, *Ex. 1*. Where available, a transaction history showing shipments into the United States is also included. *Id.*

As a result of reviewing User Account(s) and Merchant Storefront(s), Plaintiff confirmed that the Alibaba.com Defendants were and/or are offering for sale and/or selling Counterfeit Products through their respective User Accounts on their respective Merchant Storefronts. *Second Malkin Dec.*, ¶15. Through visual inspection of the Alibaba.com Defendants’ listings for Counterfeit Products, Plaintiff’s counsel confirmed that the products that each Alibaba.com Defendant offered for sale and that used virtually identical copies of the NEGG® Marks are Counterfeit Products. *Malkin Dec.*, ¶ 18 - 19; *Second Malkin Dec.*, ¶ 15. As a result of conversations with the Alibaba.com Defendants, NAL confirmed they were and/or are still currently offering for sale and/or

selling Counterfeit Products and that each Alibaba.com Defendant ships and/or has actually shipped Counterfeit Products to the United States, including to customers specifically located in New York.² *Arnaiz Dec.*, ¶¶ 13, *Ex.* 1.

Plaintiff's counsel did not instruct NAL to complete the purchases for the Counterfeit products for the following reasons: 1) most Alibaba.com Defendants sell Counterfeit Products in wholesale quantities only, thereby making the cost to purchase and store Counterfeit Products prohibitive; 2) shipping Counterfeit Products from China requires significant lead times, potentially causing an unnecessary and unreasonable delay in submitting this evidence, and 3) any products originating in China offered for sale by each Alibaba.com Defendant are Counterfeit Products because genuine NEGG® products are made in the United States and no authorized NEGG® products whatsoever are available on Alibaba.com. *See Declaration of Margaret B. Tyler*, (“*Tyler Dec.*”), ¶ 15 - 16; *Malkin Dec.*, ¶ 5.

2. The Non-Alibaba.com Defendants

Included in Plaintiff's Application for *Ex Parte* Relief was evidence related to merchants offering for sale and/or selling Counterfeit Products on online marketplace platforms other than Alibaba.com (i.e., AliExpress.com, Amazon.com, dhGate.com, eBay.com, and Wish.com). *Malkin Dec.*, ¶¶ 15 - 35, *Exs.* 2, 3, 5, 6, and 8.

² The fact that the Alibaba.com Defendants are still offering for sale and selling Counterfeit Products after their listing for same on Alibaba.com has been removed highlights the “whack-a-mole” nature of the infringement problem and further reinforces the need to enjoin all Defendants through a Temporary Restraining Order and a Preliminary Injunction.

Prior to filing the Complaint, Plaintiff and Plaintiff's counsel investigated the Defendants on **Schedule A** who were/are offering for sale and/or selling Counterfeit Products on the online marketplace platforms other than Alibaba.com ("the Non-Alibaba.com Defendants"). See *Malkin Dec.*, ¶ 19. During this investigation, each Non-Alibaba.com Defendant offering for sale and/or selling Counterfeit Products through their respective User Accounts and Merchant Storefronts offered world-wide shipping; there was no explicit disclaimer of shipping to New York. *Second Malkin Dec.*, ¶ 11. Counterfeit Products were purchased from three representative Non-Alibaba.com Defendants and the Counterfeit Products were shipped to an address in this judicial district. *Ference Dec.*, ¶ 9 - 11, *Ex. 1*.

Subsequent to the filing of the Complaint, Plaintiff's counsel visited the Merchant Storefront of each of the Non-Alibaba.com Defendants included in the *Amended Complaint*. *Second Malkin Dec.* at ¶ 19. Plaintiff's counsel specified a shipping address located in this judicial district ("the Second New York Address") and verified that each Non-Alibaba Defendant provides shipping to the Second New York Address. AliExpress.com, Amazon.com, eBay.com, and DHgate.com, andwish.com have comprehensive checkout pages that automatically assign a shipping address to an order based on the address associated with the customer's user account. *Id.* at ¶ 19. In each instance, Plaintiff's counsel completed an order form or checkout page for an order of Counterfeit Products, or if as a result of Plaintiff's policing efforts, a Non-Alibaba.com Defendant was no longer offering for sale the Counterfeit Products through its previously identified listings, Plaintiff's counsel completed an order form or checkout page for an order of another product offered by such Non-Alibaba.com Defendant. *Id.* at ¶ 19- 32,

Ex. 3, (AliExpress.com), *Ex. 4* (Amazon.com), *Ex. 5* (DHgate.com), *Ex. 6* (eBay.com), and *Ex. 7* (Wish.com).

As a result of its review of the Non-Alibaba.com Defendants' User Accounts and Merchant Storefront(s), Plaintiff's counsel confirmed that the Non-Aliba.com Defendants set forth in the *Amended Complaint* were and/or are still currently offering for sale and/or selling Counterfeit Products through their respective User Accounts, on their respective Merchant Storefronts, and that each Non-Alibaba.com Defendant ships and/or has actually shipped products offered for sale and/or sold to the United States, including to customers located in New York. *Id.* at ¶¶ 20 - 21, *Ex. 3, 4, 5, 6, and 7*. No Non-Alibaba.com Defendant, on its respective Merchant Storefront, indicated that its shipping policy varied by product; thus, so long as a Non-Alibaba.com Defendant ships a product to the United States, including to customers located in New York, such Non-Alibaba.com Defendant will and/or would ship Counterfeit Products to the United States, including to customers located in New York. *Id.* at ¶ ; *Arnaiz Dec.*, ¶ 13.

Plaintiff's counsel did not complete the purchases for the following reasons: 1) some Non-Alibaba.com Defendants sell Counterfeit Products in wholesale quantities only, thereby making the cost to purchase and store Counterfeit Products prohibitive; 2) shipping Counterfeit Products from China requires significant lead times, potentially causing an unnecessary and unreasonable delay in submitting this evidence, and 3) Plaintiff's counsel is able to confirm with certainty through the visual inspection of the webpages, without purchase of the Counterfeit Products offered for sale by each Non-Alibaba.com Defendant are, in fact, infringing, particularly given the extremely low prices at which the Non-Alibaba.com Defendants are offering Counterfeit Products,

because genuine NEGG® products are proudly made in the United States, and the only online marketplaces on which authorized NEGG® products are available on are Amazon.com and eBay.com. See *Declaration of Margaret B. Tyler*, (“Tyler Dec.”), ¶ 15 - 16; *Malkin Dec.*, ¶ 5, *Second Malkin Dec.*, ¶ 21.

C. ELECTRONIC SERVICE IS PROPER FOR THOSE DEFENDANTS FOR WHOM ADDRESSES ARE SET FORTH IN THE AMENDED COMPLAINT

The *Memorandum of Law* submitted with Plaintiff’s Application for *Ex Parte* Relief (pgs. 42-45) argues an Order authorizing alternative service of process by electronic means for all defendants is appropriate in the present case. The Court appeared to have questions about the appropriateness of electronic service of process for those Defendants for whom Plaintiff has a physical address. See *Amended Complaint*, ¶¶ 7-17; **Amended Schedule A** (Defendant Nos. 1-10). The physical address are self-reported by the Defendants and Plaintiff does not know if these address are correct.

Plaintiff respectfully requested that this Court issue an order granting it permission to serve each respective Defendant, including the Alibaba.com Defendants, via the following electronic methods: 1) registered electronic mail or 2) website publication. Website publication would entail providing the named Defendants with a link to a web page accessible at www.ferencelaw.com that includes all of the relevant pleadings to the lawsuit. Note 14, *Memorandum of Law*. The link would be provided either by registered email or Messaging through Defendants’ User Accounts. *Malkin Dec.*, ¶ 40; *Second Malkin Dec.*, ¶ 38.

As previously noted, Defendants – including the Alibaba.com Defendants – operate sophisticated commercial businesses offering for sale and/or selling Counterfeit Products to consumers in the United States – specifically including those in New York. These operations are limited to correspondence by email, messaging through their respective User Accounts, and communications otherwise transmitted over the Internet. *See Malkin Dec.*, ¶¶20-23, Exs. 1 and 3. Therefore, Plaintiff respectfully submits that service through electronic methods is appropriate and necessary in the instant matter.

The address for each Defendant for whom Plaintiff has an address is located in China. Fed. R. Civ. P. 4(f)(3) permits service in a place not within any judicial district of the United States³ “by any internationally agreed means of service that is reasonably calculated to give notice”. *Rio Props., Inc. v. Rio Int’l Interlink*, 284 F.3d 1007, 1014 (9th Cir. 2002). The Ninth Circuit in *Rio Properties* held, “without hesitation,” that e-mail service of an online business defendant “was constitutionally acceptable.” *Id.* at 1017. The Court reached this conclusion, in part, because the defendant conducted its business over the Internet, used e-mail regularly in its business, and encouraged parties to contact it via e-mail. *Id.*

Similarly, a number of Courts have held that alternate forms of service pursuant to Rule 4(f)(3), including e-mail service, are appropriate and may be the only means of effecting service of process “when faced with an international ebusiness scofflaw.” *Id.* at

³ In the unlikely event a defendant for whom Plaintiff does not have an address was located in the United States, service would be governed by Fed. R. Civ. P. 4(e)(1), which provides for “following state law for serving a summons in an action brought in courts of general jurisdiction in the state where the district court is located”. N.Y. C.P.L.R. §§ 308, 310-311 all provide for service “in such manner as the court, upon motion without notice, directs”. Thus, service by email would also be sufficient in the event any Defendant is located in the United States.

1018; *see also*, *MacLean-Fogg Co. v. Ningbo Fastlink Equip. Co., Ltd.*, No. 1:08-cv-02593, 2008 WL 5100414, *2 (N.D. Ill. Dec. 1, 2008) (holding e-mail and facsimile service appropriate); *Popular Enters., LLC v. Webcom Media Group, Inc.*, 225 F.R.D. 560, 563 (E.D. Tenn. 2004) (quoting *Rio*, 284 F.3d at 1018) (allowing e-mail service); *see also* *Juniper Networks, Inc. v. Bahattab*, No. 1:07-cv-01771-PLF-AK, 2008 WL 250584, *1-2, (D.D.C. Jan. 30, 2008) (citing *Rio*, 284 F.3d at 1017-1018; other citations omitted) (holding that “in certain circumstances ... service of process via electronic mail ... is appropriate and may be authorized by the Court under Rule 4(f)(3) of the Federal Rules of Civil Procedure”).

In a number of counterfeiting cases this year, this Court has authorized electronic service of process on merchants on Alibaba.com where addresses were known for the defendants. Copies of the complaints in four of these cases (without exhibits), together with the Temporary Restraining Order authorizing alternative service by electronic means and the Preliminary Injunction Order are attached as Exhibits 4-7 to Plaintiff’s *Request for Judicial Notice* submitted herewith). *See Wow Virtual Reality, Inc. v. Bienbest*, No. 18-CV-3305 (S.D.N.Y., Judge Caproni) (Alibaba.com Defendants’ addresses set forth in *Complaint* at ¶¶ 9, 11-20, 24-31, 34, 46-49, 55-62, 64-78, 81-109, 112-143, 146-, 152, 155-156, 158-160); *Idea Village Prods. Corp. v. Dongguan Shipai Loofah Sponge Commodity Factory*, No. 18-CV-901 (S.D.N.Y., Judge Gardephe) (Alibaba.com Defendants’ addresses set forth in *Complaint* at ¶¶ 8-28); *Spin Master Ltd. v. Alisy*, No. 18-CV-543 (S.D.N.Y., Judge Gardephe) (Alibaba.com Defendants’ addresses set forth in *Complaint* at ¶¶ 22, 25, 32, 49, 52-58, 60-65, 88-92); and *Paint Zoom, LLC v. Changsha Guma Machine Store*, No. 18-CV-153 (S.D.N.Y. 2018, Judge Marrero) (Alibaba.com

Defendants' addresses set forth in *Complaint* at ¶¶ 6-22). Examples of alternate service orders in counterfeiting cases from other courts may be found at Exhibits 1-3 of *Plaintiff's Request for Judicial Notice*.

Rule 4 does not require that a party attempt service of process by other methods enumerated in Rule 4(f) before petitioning the court for alternative relief under Rule 4(f)(3). *Rio Props. v. Rio Intern. Interlink*, 284 F.3d 1007, 1014-15 (9th Cir. 2002). As the *Rio Properties* Court explained, Rule 4(f) does not create a hierarchy of preferred methods of service of process. *Id.* at 1014. To the contrary, the plain language of the Rule requires only that service be directed by the court and not be prohibited by international agreement. There are no other limitations or requirements. *Id.* Alternative service under Rule 4(f)(3) is neither a "last resort" nor "extraordinary relief," but is rather one means among several by which an international defendant may be served. *Id.* As such, this Court may allow Plaintiff to serve the defendants via electronic publication and/or e-mail.

Plaintiff has good cause to suspect each of the Alibaba.com Defendants are residents of China. The United States and the People's Republic of China are both signatories to the Hague Convention on the Service Abroad of Judicial and Extra Judicial Documents in Civil and Commercial Matters (the "Convention"). *Second Malkin Dec.*, ¶ 3. The Hague Convention does not preclude service by email, and the declarations to the Hague Convention filed by China do not expressly prohibit email service. *Id.* at ¶ 4. As such, United States District Courts routinely permit alternative service of process notwithstanding the applicability of the Hague Convention. *See e.g., In re Potash Antitrust Litig.*, 667 F. Supp. 2d 907, 930 (N.D. Ill. 2009) ("plaintiffs are not required to first attempt service through the Hague Convention."); *see also In re LDK Solar Secs.*

Litig., 2008 WL 2415186,*2 (N.D. Cal. Jun. 12, 2008) (authorizing alternative means of service on Chinese defendants without first attempting “potentially fruitless” service through the Hague Convention’s Chinese Central Authority); *Nanya Tech. Corp. v. Fujitsu Ltd.*, No. 1:06-cv-00025, 2007 WL 269087, *6 (D. Guam Jan. 26, 2007) (Hague Convention, to which Japan is a signatory, did not prohibit e-mail service upon Japanese defendant); *Popular Enters., LLC v. Webcom Media Group, Inc.*, 225 F.R.D. 560, 562 (E.D. Tenn. 2004) (recognizing that, while “communication via e-mail and over the internet is comparatively new, such communication has been zealously embraced within the business community”). In addition, the law of the People’s Republic of China does not appear to prohibit electronic service. *Second Malkin Dec.*, ¶ 5 -8. Indeed, this Court has held that such objection does not include service by email and further, that service by email is not prohibited by any international agreement. *See Sulzer Mixpac AG v. Medenstar Indus. Co.*, 312 F.R.D. 329, 332 (S.D.N.Y. 2015) (concluding that “China’s objection to service by postal mail [under the Hague Convention] does not cover service by email, and these forms of communication differ in relevant respects, such as email communications may be more reliable than long-distance postal communications, and the arrival of an email at its destination address may be more readily tracked.”).⁴

⁴ *See also, e.g., F.T.C. v. PCCare247 Inc.*, No. 12 Civ. 7189, 2013 U.S. Dist. LEXIS 31969, *10 (S.D.N.Y.) (authorizing service by email and Facebook to defendants in India, and stating that “[n]umerous courts have held that service by email does not violate any international agreement where the objections of the recipient nation are limited to those means enumerated in Article 10.”); *Gurung v. Malhotra*, 279 F.R.D. 215, 219-20 (S.D.N.Y. 2011) (authorizing service by email to India despite India’s objections to service through postal channels under Article 10 of the Hague Convention, and stating that “[w]here a signatory nation has objected to only those means of service listed in Article [10] [of the Hague Convention], a court acting under Rule 4(1) (3) remains free to order alternative means of service that are not specifically referenced in Article [10].”); *S.E.C. v. Anticevic*, 2009 U.S. Dist. LEXIS 11480, at *4 (authorizing service by publication and noting that “[n]either Germany nor Croatia explicitly objects to service by publication in their Declarations pursuant to the [Hague] Convention.”); and *In re S. African Apartheid Litig.*, 643 F. Supp. 2d 423, 434 (S.D.N.Y. 2009) (permitting service on counsel in Germany and noting that “[a]lthough Germany has objected to

The proposed amended Temporary Restraining Order provides for issuance of a single original summons, and the Clerk has issued a single summons in accordance with Federal Rule of Civil Procedure 4(b). As such, Plaintiff respectfully requests this Court's permission to serve Defendants – including the Alibaba.com Defendants for whom Plaintiff has physical addresses – via email and/or electronic publication.

D. PLAINTIFF IS ENTITLED TO AN ORDER FREEZING DEFENDANTS' MERCHANT STOREFRONTS

The *Memorandum of Law* submitted with Plaintiff's Application for *Ex Parte* Relief discusses the freezing of Defendants' Merchant Storefronts (pgs. 41-42). As noted therein, this Court has previously issued orders disabling defendants' websites, which were defendants' means of distributing, offering for sale, and selling counterfeit products. The Defendants' Merchant Storefronts in the present case are similarly the defendants' means of distributing, offering for sale, and selling counterfeit products.

One reason why courts have ordered this relief is the ease with which a Merchant Storefront may be set up. For example, a defendant who knowingly sells Counterfeit Products will likely try and set up another Merchant Storefront to keep selling when the current Merchant Storefront stops working. *Second Malkin Dec.*, ¶ 34. This brings into play a balancing of the hardship to Defendants against the hardship to Plaintiff if the relief is not granted. In the present case, the hardship to Plaintiff outweighs any hardship to Defendants. The proposed amended Order does not block any of the enjoined

specific forms of service otherwise enumerated in the Hague Convention, it has not expressly barred alternative forms of effective service not referenced in the Hague Convention.").

Defendants from setting up another Merchant Storefront to sell non-Counterfeit Products. The proposed amended Order merely blocks any goodwill associated with the Merchant Storefront which sold Counterfeit Products; the Defendants are free to set up a new Merchant Storefront that does not sell Counterfeit Products.

Blocking the good will associated with the Merchant Storefront helps prevent the situation with the Alibaba.com defendants – the Counterfeit Product listing has been taken down but if someone (e.g., a repeat buyer) contacts a Defendant at the Merchant Storefront using the messaging system provided by the online marketplace asking for the Counterfeit Product it will be made available by a Defendant. *Second Malkin Dec.*, ¶ 34; *Arnaiz Dec.*, ¶¶ 9 - 13, Ex. 1. The only way to preclude this type of harm to Plaintiff is to freeze the Defendants’ Merchant Storefronts.

The terms of service for a number of the online marketplace platforms prohibit the selling of counterfeit goods. *Second Malkin Dec.*, ¶ 34. (“If you sell or supply inauthentic products, we may immediately suspend or terminate your Amazon selling account (and any related accounts) and destroy any inauthentic products in our fulfillment centers at your expense.”). While well intentioned, these policies lead to the “whack-a-mole” situation confronting Plaintiff where a seller of Counterfeit Products opens another Merchant Storefront when their original Merchant Storefront is terminated. Furthermore, termination of their accounts because of counterfeiting is something Defendants knew could happen, and having the Court freeze their Merchant Storefront merely accelerates the outcome given the policies of the online marketplaces and requires the Third Party Service Providers to comply with their own policies.

A freezing of Defendants' Merchant Storefronts also acts to provide immediate notice of the present action to Defendants. Indeed, a number of cases have required that the domain names on which a defendant's storefront operates be turned over to the plaintiff and pointed to a webpage providing notice of the lawsuit against the defendant. *Iron Maiden Holdings Ltd. v. The P'ships & Unicorporated Assns. Identified on Schedule "A"*, No. 18-CV-522 (N.D. Ill. Feb. 1, 2018) ("Plaintiff may provide notice of these proceedings to Defendants, including notice of the preliminary injunction hearing and service of process pursuant to Fed.R.Civ.P. 4(f)(3), by electronically publishing a link to the Complaint, this Order and other relevant document on a website to which the Defendant Domain Names which are transferred to Plaintiff's control will redirect") (§ 13, *Temporary Restraining Order*, copy attached as Exhibit 3 to *Plaintiff's Request for Judicial Notice*). Thus, the freezing of Defendants' Merchant Storefronts is also a manner of ensuring that Defendants receive notice of the present action.

E. THE AMENDED PROPOSED ORDER

Plaintiff submits herewith an Amended Proposed Order granting the relief sought. This Amended Proposed Order has been modeled on the Order this Court entered in *Allstar Marketing Group, LLC v. 158 et al.*, No. 18-CV-4101 (GHW) (SD.N.Y. May 17, 2018). The changes from the Proposed Order reflected in this Amended Proposed Order include focusing the findings of fact to those necessary to support the legal standard for issuing the Order; focusing the entities who are enjoined to specifically identified Defendants, Financial Institutions, and Third Party Service Providers; and removing the language from the section of the Order authorizing expedited discovery requiring Defendants to provide information to Plaintiff's counsel. Factual support for the identity

of the enjoined Financial Institutions and Third Party Service Providers, and the manner of service of the Order on same, is contained in the *Second Malkin Dec.*, ¶¶ 39 - 52.

III. CONCLUSION

For the reasons set forth above, Plaintiff respectfully requests that its Application be granted *ex parte* and that the Court enter a: 1) temporary restraining order; 2) order restraining assets and Merchant Storefront; 3) order to show cause why a preliminary injunction should not issue; 4) order authorizing alternative service via electronic methods and 5) order authorizing expedited discovery against Defendants, Third Party Service Providers and Financial Institutions in the form of the [Amended Proposed] Order accompanying this *Supplemental Memorandum of Law*, and such other relief to which Plaintiff may show that it is legally entitled.

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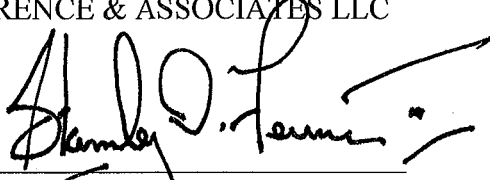
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Accompanying the courtesy copy of [Amended Proposed] Order being delivered to Chambers is a soft copy of the [Amended Proposed] Order in Word format for the Court's convenience in the event the Court would like to modify the [Amended Proposed] Order.

Respectfully submitted,

FERENCE & ASSOCIATES LLC

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Dated: July 19, 2018

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